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Orrick Advises Winning Consortium in Fresno State's Energy Infrastructure Modernization P3.

Orrick advised Bulldog Infrastructure Group ("BIG"), a consortium comprising Meridiam (manager and sole equity investor), NORESO (lead contractor and maintenance provider) and GLHN (lead engineer), as sponsors' counsel in their successful bid for the 33-year public private partnership ("P3") contract with California State University Board of Trustees, on behalf of California State University, Fresno Campus ("Fresno State"), to modernize and maintain Fresno State's central utility infrastructure system. The concession is valued at US\$600 million over its term.

As part of its representation of BIG, Orrick helped to structure an innovative US\$122.5 million "sustainable development goals" impact bond financing for the project, which is the first use of Green Bond certification for a higher education P3 transaction.

In addition to achieving Green Bond certification, the financing is structured to directly incentivize achieving the project's extra-financial sustainability impacts by imposing financial penalties throughout the life of the project if it fails to meet its ambitious energy savings goals.

The modernization project, which achieved financial close on February 26, 2021, focuses on constructing a new central utility plant, updating the hot- and chilled-water generation and distribution piping network on campus and building photovoltaic solar panels over existing campus parking lots. As part of the modernization project, BIG will implement renewable energy generation and energy conservation measures, with a target to provide significant energy savings to Fresno State during the term of the P3, including more than 30% of energy savings during the first year of operation.

Orrick advised the consortium on every aspect of the project, including diligence, concession review and analysis, drop-down design build and long-term maintenance contracts, debt and equity financing, permitting and tax. We are recognized globally in the U.S. infrastructure market for our work in complex, large-scale P3 projects as counsel to sponsors, private parties, both equity and debt, and governmental procuring authorities. We are actively involved in the growing trend among U.S. institutions of higher education of utilizing P3 partnerships and private capital to access financing as an alternative to traditional public funding to address critical aging campus infrastructure needs.

The team advising the consortium was led by Young Lee and included Susan Long, Matthew Neuringer, Joseph Lodico, Mariah Johnston, John Grant, Seth Norris, Eric Vanderhoef, Namratha Minupuri and Sue Cowell.

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